



Director of  
Central  
Intelligence

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# National Intelligence Daily

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SITUATION REPORT

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POLAND

*The situation in Poland has deteriorated and will become much worse if a preliminary accord on free trade unions collapses.*

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While the situation is not yet irretrievable, the chances for mutual miscalculation have increased significantly and the time available for reaching compromise is growing short.

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New Pressure

The strikes have spread to Poland's mining and industrial heartland of Silesia, despite the injunction on Thursday of Gdansk strike leader Walesa that workers outside the Baltic Coast remain on the job for at least several days.

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The prospect of a nationwide strike--more real now than at any time since the crisis in Gdansk began more than two weeks ago--has increased pressure considerably on the regime to resolve quickly the impasse in Gdansk. This could most readily be done, of course, by the regime agreeing to strikers' demands for free trade unions.

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The attraction for both the Polish and Soviet regimes of such an arrangement is that it would buy time and would avoid other options--including the use of force--that carry greater risks and consequences.

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Such an agreement, however, could be difficult to sell to either the Polish or Soviet leadership. Previous Communist regimes in Poland have successfully avoided implementing promised reforms, but the present leadership might feel that it could not avoid implementing concessions this time, even though the measures would lead to greater pluralism and a weakening of its status and role in Polish society. This also would be the primary Soviet concern. The regime also realizes that its own weakness and the new sense of worker power would make very difficult any reneging on its promise. The Soviets would fear the impact on other East European countries.

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#### Regime's Options

Strike leaders in Gdansk are publicly saying that agreement is near, and the collapse of any preliminary accord would leave the regime with few attractive options. It could:

- Continue efforts to pressure strike leaders into compromise by a mixture of threats and blandishments and by demonstrating that the strikes could prompt a Soviet military intervention. Such reminders in the past two weeks have had little impact--probably because the Soviets have not made menacing gestures.
- Offer party leader Gierek as a scapegoat. The strikers' indifferent reaction to the massive personnel changes last Sunday indicates that they want changes in policy, not personnel. Gierek's removal, moreover, would leave his successor with the same problems, could raise concerns in Moscow, and would remove from the scene the person who might be in the best position to defend regime concessions to the Soviets.

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-- Use force. The practical problem of using force is that the strikes are so widespread that force could not be concentrated effectively. The use of force without first setting the correct propaganda stage carries the real risk of triggering a national outburst. The regime may no longer feel confident that it can count on its security forces, including the military, to quash strikers who enjoy a good deal of sympathy throughout the country.

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### The Church

Church leaders may have eroded some of their credibility by appearing to side too closely with the regime and against the strikers. Nevertheless, it remains the one institution that has the prestige and influence to prevent a nationwide strike.

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Although there are limits on what the Church is prepared to do, its leaders realistically see no other course for Poland than a Communist one and unquestionably prefer a Communist Poland to a Soviet military occupation.

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Cardinal Wyszynski could privately counsel the strike leaders in Gdansk to end their strikes. He could even make a dramatic personal appearance. Pope John Paul II could personally--or through an emissary--appeal for a return to work in the interests of the Polish nation. Such appeals might be most effective when strikers came to believe the situation had clearly deteriorated.

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### Miscalculation

A persistent and growing danger in the current atmosphere is that of miscalculation by one or all of the parties. The regime's hollow rhetoric and slogans of imminent national catastrophe have not worked and are probably ignored by many--including the strikers and the Church--who do not yet see the dangers in the situation. Conditioned by such rhetoric, they may not recognize the point at which a national catastrophe--such as a Soviet intervention--is at hand.

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BRIEFS AND COMMENTS

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WESTERN EUROPE: Reactions to the Polish Situation

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*If the Polish crisis persists, domestic political pressures will make it increasingly difficult for West European governments to maintain their public reticence about the situation.*

The governments hope to see internal liberalization in Poland. Their main concern, however, is to avoid doing or saying anything that might help provoke Soviet intervention, which would seriously complicate their efforts to pursue detente.

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In contrast to heads of state and ministry officials, West European parliamentarians and party organizations--ranging from conservative backers of Franz Josef Strauss in West Germany to several Communist parties--have stepped forward with detailed comments on Poland, usually praising the workers and advocating extensive political liberalization. This broad support for the workers could make government leaders appear weak by comparison and lead them to cast about for some way to improve their images.

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As long as the strikes continue, the basic dilemma of the governments remains. Support for the Polish authorities would in effect condone repression; conversely, support for workers' aspirations might provoke the Soviets. A similar problem exists in West German and British financial dealings with Poland. Continued loans could be construed as aid to a repressive regime, while a refusal to negotiate further loans could be considered a provocation to Warsaw and Moscow.

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## USSR: Brezhnev's Speech

*In his speech on Friday, President Brezhnev placed particular blame on Washington for a "rather complicated" international situation, but sounded more confident than he did two months ago in his report to the party Central Committee that US policies Moscow regards as challenging are not succeeding.* [redacted]

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Brezhnev criticized Presidential Directive 59 as an attempt to acclimate public opinion to the acceptability of nuclear war and called it "extremely dangerous." At the same time, however, he made no mention of the need for "vigilance"--a theme he expressed in his Central Committee report in June--and declared that the new US strategic policy had been met with condemnation in both Europe and America. He even asserted that "sooner or later" Washington itself will conclude that its "sabre-rattling" efforts to deal with the USSR and other states "from positions of strength" are not the way to resolve world problems. [redacted]

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As if to indicate that the USSR feels it is moving out from the shadow cast by its invasion of Afghanistan, Brezhnev scoffed at the possibility that "the political isolation of the Soviet Union" would ever occur. He derided US efforts to "boycott" the USSR, pointing to the "excellent" success of the Olympics and allegedly mild consequences of the grain embargo. He cited his meetings with President Giscard and Chancellor Schmidt as evidence of growing international understanding that "not a single serious problem existing in the world today lends itself to settlement from a position of strength." [redacted]

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The Soviet leader seemed even to argue that relations with China could improve. Although he acknowledged that Beijing remains hostile to the USSR and is being courted by the "imperialists," he asserted that "Maoist" concepts are undergoing "both open and secret criticism" and did not refer--as did the documents of the Central Committee meeting in June--to "the dangerous new alliance in world politics." [redacted]

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USSR-IRAN: Soviet Comments on Bilateral Ties

*Top Soviet leaders have responded sharply to recent criticism by Iranian Foreign Minister Ghotbzadeh and again suggested that good Soviet-Iranian ties would help Tehran in its confrontation with the US.*

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The Soviets on Thursday publicized Foreign Minister Gromyko's reply to Ghotbzadeh's formal demarche earlier this month. Gromyko, evidently irked by publication of the demarche, accused Ghotbzadeh of "irresponsible behavior" and questioned whether his "empty claims" were aimed at creating mistrust toward the USSR. He ignored most of Ghotbzadeh's specific accusations, including Soviet provision of arms to the Kurds and support for the Tudeh Party.

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Gromyko also issued Moscow's highest level indication to date that the Soviets regard the Iranian-Soviet treaty of 1921 as still in force. The USSR never acknowledged Iran's abrogation last November of those articles in the treaty that give it the right to intervene in Iran under certain circumstances.

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President Brezhnev, in his speech yesterday in Alma Ata, portrayed the USSR as a true friend of Iran. After reassuring the Iranians of Soviet nonintervention, he called US actions in the region "inadmissible"; he also pointed to "ships of the US Navy with aircraft and assault units on board" cruising near Iran.

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Both Gromyko and Brezhnev kept the door open for better relations with Tehran. Gromyko, for example, focused all his criticism on Ghotbzadeh and hoped that he would not mislead "uninformed people" in Iran.

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USSR-PAKISTAN: Increased Soviet Pressure

*Moscow appears to be increasing its diplomatic and propaganda pressure on Pakistan.* [redacted]

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In his speech yesterday, President Brezhnev again accused Pakistan of allowing itself to be used as the principal channel of support for Afghan "counterrevolutionaries." Soviet media in recent days have sought to heighten Islamabad's fears of Soviet meddling in Pakistani internal affairs by emphasizing the alleged widespread domestic opposition to President Zia's Afghan policy. [redacted]

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Moscow's increased pressure on Islamabad may stem from a belief that the Pakistanis are increasing their support to the Afghan insurgency. In recent months, the insurgents appear to have received heavier weapons and to be using them with greater effectiveness. Moscow could also be reacting to the Pakistani crackdown on Soviet diplomatic and propaganda activity inside Pakistan and could be seeking to dissuade Pakistan from taking the lead in condemning the USSR at forthcoming UN and Islamic Conference meetings. [redacted]

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## NICARAGUA: Sandinistas' Hard Line

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*The Sandinistas' policies on elections and other freedoms have provoked protests from opposition groups, but the regime is increasingly concerned over counterrevolutionary activities and may now be less willing to offer significant concessions.*

Following Defense Minister Ortega's announcement last Saturday that elections would not be held until 1985, the Sandinista-dominated Council of State on Wednesday passed a bill prohibiting electoral activity before 1984 and two bills restricting press freedom. Two small political parties allied to the Sandinistas endorsed the decision on the elections, and the official media have responded harshly to opposition criticism.

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Three independent political parties and the newspaper *La Prensa* have objected in their strongest antigovernment attacks to date. The leading businessmen's association plans to use its place on the Council to assail government policies and probably will attempt to coordinate activities with other opponents.

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Opposition groups are likely to try to persuade the US and Latin American and West European nations to make economic assistance contingent on prompt elections. The groups also may threaten to withdraw their representatives from the Council, and the private sector could threaten to strike. Even if the Sandinistas were to change their line on elections, however, they probably would renege later.

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Any of these opposition actions could provoke stronger government measures against "counterrevolutionary" elements.

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## ITALY: Relations With the Opposition

*The government's failure this week to overcome parliamentary objections to its proposed economic stabilization package is the strongest indication to date that Prime Minister Cossiga's coalition needs a more cooperative relationship with the opposition if it is to govern effectively.* [redacted]

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The government has given up the attempt to break the filibuster against the decree laws embracing its economic proposals. Cossiga now almost certainly will reissue the decrees and try to incorporate changes in them demanded by the Communists, Social Democrats, and Liberals to improve chances of obtaining parliamentary approval of the measures in late October. This makeshift solution, however, does not get to the root of the government's inherent inability to override opposition parliamentary tactics capable of paralyzing the legislative process. [redacted]

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Cossiga's latest setback may lend weight to demands for the inclusion of the Social Democrats--and perhaps also the Liberals--in the governing coalition to improve its parliamentary strength. Cossiga, however, probably calculates that such a move would be opposed by his present coalition partners--the Socialist and Republican Parties--because it would dilute their own influence within the government. [redacted]

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In addition, leftwing Christian Democrats and Socialists, who favor closer cooperation between the government and the Communists, would likely object to the creation of a five-party government that would appear even more anti-Communist than the current arrangement. Faced with such a prospect, the Communists could be expected to intensify their own opposition. [redacted]

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As a result, Cossiga may stick with the present coalition but make changes in the cabinet--possibly to include leftwing Christian Democrats and Socialists. The Communists have hinted they would moderate their opposition if the present government--which they view as symbolically anti-Communist--is reshaped. This in turn would give Cossiga greater parliamentary leverage. [redacted]

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## ZAIRE: Shifts in Leadership

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*President Mobutu's recent cabinet changes may give a new sense of direction to his government, which is facing economic uncertainties and potential regional unrest.* [ ]

Mobutu's transfer of former Bank of Zaire governor Sambwa--who is respected in international financial circles--back to that position after a year on his presidential staff may help the President's relations with the International Monetary Fund. An IMF team at the bank has been trying to put Zaire's economic accounts in order but has met resistance from Mobutu and the outgoing bank governor. Mobutu is likely, however, to reserve all major decisions on economic reform for himself. [ ]

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By demoting General Babia and taking on the defense portfolio, Mobutu has temporarily spiked jurisdictional disputes between the Defense Ministry and senior military officers on his staff, most of whom are his own tribal brothers. Over the long run this is likely to increase tribal suspicions throughout the military. [ ]

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The appointment of former Foreign Minister Nguza to be Prime Minister should help Mobutu's effort to encourage Shaban dissidents in Angola and Zambia to accept an amnesty. Nguza is from Shaba and is related to the late Prime Minister Tshombe, whose ill-fated secessionist movement there in the early 1960s became the inspiration for the invasions of Shaba in 1977 and 1978. Nguza may take personal control over the sluggish repatriation program. [ ]

Mobutu will expect former Prime Minister Bo-Boliko to pull the official party, the Popular Revolutionary Movement, out of its doldrums. Bo-Boliko's appointment as party executive secretary is likely to be followed by other changes in the party leadership. [ ]

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CUBA: Change in Security Practice

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Cuban guards at foreign embassies in Havana reportedly are now under orders not to use force to prevent individuals from seeking asylum. This change in policy became apparent earlier this week when Cuban security personnel refrained from firing on seven individuals who entered the Venezuelan Embassy. The main purpose of the new order probably is to prevent repetitions of the spectacular and violent incidents that resulted in several deaths earlier this year. [REDACTED]

Latin American diplomats are concerned that more persons will seek asylum as knowledge of the policy change spreads. As long as the port of Mariel is regarded as a safe and effective means of leaving the island, the tactic of invading an embassy probably will be used primarily by fugitives or high-level defectors seeking to avoid detection by Cuban authorities. The US Interests Section is an unlikely target for potential refugees because the security barricade erected last May is still in place. [REDACTED]

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IRAN - SAUDI ARABIA: Possible Demonstrations

Tehran radio yesterday called on Muslims to demonstrate against pro-US Arab governments during the annual Haj pilgrimage to Mecca, which will begin in mid-September. [REDACTED]

[REDACTED] Last year, the Saudis had to crack down on Iranian agitators staging pro-Khomeini demonstrations during the Haj. [REDACTED]

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## LIBYA: Explosion at Military Base

A Libyan military installation outside Kufra has been severely damaged in an explosion that apparently occurred late last week. [redacted]

[redacted] a blast destroyed at least 16 BTR-60 armored personnel carriers, six tanks, 16 ZU-23 antiaircraft guns, and some 50 privately owned vehicles. Several buildings at the base, which has housed a mechanized infantry battalion, were demolished, and nearly every structure in the installation was hit by blast fragments. The nearby military airfield appears to be undamaged. [redacted]

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## USSR-CHINA: New Spy Case

Beijing's publication yesterday of a protest to Moscow over its alleged attempt to recruit a Chinese diplomat traveling in the USSR probably represents a further effort by Vice Premier Deng Xiaoping to discredit those who are skeptical of his pro-Western policies. The protest is a continuation of a campaign against Soviet espionage, which began with the announcement on 20 July of several spy cases involving the USSR, including one almost 10 years old. This announcement was followed by the reported execution of one of the alleged spies. Publication of the latest incident is intended to signal the need to intensify the regime's anti-Soviet policies.

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The Chinese may be pressing this theme to assure the West of their determination to improve relations. As the National People's Congress approaches, Deng also may be trying to discredit those who favor reducing tensions with Moscow. [redacted] the impression given in the Chinese media that some in China favor more balanced relations with the US and the USSR. [redacted]

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BRAZIL: Investigation of Bombings

President Figueiredo has initiated a federal investigation into the recent bombings in Rio de Janeiro that have killed one person and injured several others. The government had insisted that the states were responsible for investigating such incidents, but public criticism of government inaction has increased. The government will have to allay suspicion that its inaction has been caused by fear that members of the country's security forces would be implicated. The political opposition, the press, and the Catholic Church will monitor the investigation closely, and public protests or leftist counterviolence are likely to increase if results are not forthcoming.

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